



Senate

General Assembly

File No. 519

February Session, 2016

Substitute Senate Bill No. 421

Senate, April 6, 2016

The Committee on Planning and Development reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING COMMUNITY EMPOWERMENT AND THE NEIGHBORHOOD ASSISTANCE ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2016*) The chief executive
2 officer of each municipality with a population of more than one
3 hundred thousand, as enumerated in the 2010 federal decennial
4 census, and having a total area of not more than thirty square miles,
5 shall establish and appoint members to one community investment
6 board for each neighborhood in the municipality. Each community
7 investment board may be comprised of, but need not be limited to,
8 residents, business owners, religious leaders, community development
9 corporation representatives and community group representatives.

10 Sec. 2. Section 4-66l of the 2016 supplement to the general statutes is
11 amended by adding subsection (j) as follows (*Effective October 1, 2016*):

12 (NEW) (j) Any municipal revenue sharing grant awarded pursuant

13 to subsections (d) and (f) of this section to a municipality whose chief
14 executive officer has established community investment boards
15 pursuant to section 1 of this act may be expended by such municipality
16 as follows: (1) Thirty-five per cent of such grant shall be expended on
17 priorities identified by such community investment boards, (2) thirty-
18 five per cent of such grant shall be expended on priorities identified by
19 the legislative body of the municipality, and (3) thirty per cent of such
20 grant shall be expended on priorities jointly agreed upon by such
21 community investment boards and the legislative body of the
22 municipality.

23 Sec. 3. Section 12-18c of the 2016 supplement to the general statutes
24 is repealed and the following is substituted in lieu thereof (*Effective*
25 *October 1, 2016*):

26 (a) There is established an account to be known as the "select
27 payment in lieu of taxes account" which shall be a separate, nonlapsing
28 account within the General Fund. The account shall contain any
29 moneys required by law to be deposited in the account. Moneys in the
30 account shall be expended by the Office of Policy and Management for
31 the purposes of making select grants to municipalities and districts for
32 payments in lieu of taxes as provided for in subsection (d) of [this
33 section] section 12-18b, subparagraphs (B) and (C) of subdivision (1) of
34 subsection (e) of section 12-18b, and subdivision (2) of subsection (e) of
35 section 12-18b.

36 (b) Any select grant for payment in lieu of taxes awarded pursuant
37 to subsection (a) of this section to a municipality whose chief executive
38 officer has established community investment boards pursuant to
39 section 1 of this act may be expended by such municipality as follows:
40 (1) Thirty-five per cent of such grant shall be expended on priorities
41 identified by such community investment boards, (2) thirty-five per
42 cent of such grant shall be expended on priorities identified by the
43 legislative body of the municipality, and (3) thirty per cent of such
44 grant shall be expended on priorities jointly agreed upon by such
45 community investment boards and the legislative body of the

46 municipality.

47 Sec. 4. (NEW) (*Effective July 1, 2016*) (a) Not later than January 1,
48 2018, the Office of Policy and Management shall create and maintain
49 an Internet web site that will allow residents and organizations to
50 submit proposals for solutions to specific urban area problems to the
51 Office of Policy and Management.

52 (b) If the Secretary of the Office of Policy and Management, or the
53 secretary's designee, determines that a proposal is viable, the secretary
54 shall identify a municipality or neighborhood in which to establish a
55 pilot program to implement the proposal, establish the pilot program
56 in such municipality or neighborhood, monitor the implementation of
57 the pilot program and assess the results of the pilot program.

58 (c) The Office of Policy and Management shall, within available
59 appropriations, provide a monetary award to each resident or
60 organization that submits a proposal pursuant to subsection (a) of this
61 section if such proposal becomes the basis for a pilot program and the
62 secretary, or the secretary's designee, determines that such pilot
63 program was successful after assessing the results of such pilot
64 program pursuant to subsection (b) of this section.

65 Sec. 5. (*Effective July 1, 2016*) (a) There is established a task force to
66 study the manner in which state funding is utilized by nonprofit
67 providers and to review the requirements imposed on nonprofit
68 providers by state agencies and compliance with those requirements
69 by nonprofit providers.

70 (b) The task force shall consist of the following members:

71 (1) Two appointed by the speaker of the House of Representatives,
72 one of whom shall have expertise in nonprofit administration and one
73 of whom shall have expertise in economics;

74 (2) Two appointed by the president pro tempore of the Senate;

75 (3) Two appointed by the majority leader of the House of

76 Representatives;

77 (4) Two appointed by the majority leader of the Senate;

78 (5) Two appointed by the minority leader of the House of
79 Representatives; and

80 (6) Two appointed by the minority leader of the Senate.

81 (c) Any member of the task force appointed under subdivision (1),
82 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
83 of the General Assembly.

84 (d) All appointments to the task force shall be made not later than
85 thirty days after the effective date of this section. Any vacancy shall be
86 filled by the appointing authority.

87 (e) The speaker of the House of Representatives and the president
88 pro tempore of the Senate shall select the chairpersons of the task force
89 from among the members of the task force. Such chairpersons shall
90 schedule the first meeting of the task force, which shall be held not
91 later than sixty days after the effective date of this section.

92 (f) The administrative staff of the joint standing committee of the
93 General Assembly having cognizance of matters relating to economic
94 development activities impacting local governments shall serve as
95 administrative staff of the task force.

96 (g) Not later than January 1, 2017, the task force shall submit a
97 report on its findings and recommendations to the joint standing
98 committee of the General Assembly having cognizance of matters
99 relating to economic development activities impacting local
100 governments, in accordance with the provisions of section 11-4a of the
101 general statutes. The task force shall terminate on the date that it
102 submits such report or January 1, 2017, whichever is later.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2016</i>	New section
Sec. 2	<i>October 1, 2016</i>	4-66l
Sec. 3	<i>October 1, 2016</i>	12-18c
Sec. 4	<i>July 1, 2016</i>	New section
Sec. 5	<i>July 1, 2016</i>	New section

Statement of Legislative Commissioners:

In Section 2, "subsection (f)" was changed to "subsections (d) and (f)" for accuracy, and in Sections 2 and 3, "the community investment boards established by the municipality pursuant to section 1 of this act" was changed to "such community investment boards" to avoid repetition.

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Policy & Mgmt., Off.	GF - Cost	Up to 32,000	None
Various State Agencies	GF - Potential Cost	Less than \$1,000	None
Policy & Mgmt., Off.	GF - Cost	None	Potential

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 17 \$	FY 18 \$
Various Municipalities	See Below	See Below	See Below

Explanation

The bill requires the cities of Bridgeport, Hartford, New Haven, and Waterbury to establish community investment boards and to use a portion of their Municipal Revenue Sharing Account funding on the priorities of the community investment boards. Approximately \$33.3 million in FY 17 grants to the four cities is restricted by the bill. The table below shows a breakdown by city:

Municipality	Restricted FY 17 Grant Funding \$
Bridgeport	8,446,424
Hartford	9,048,491
New Haven	9,984,803
Waterbury	5,771,736
Total	33,251,142

The bill also requires the Office of Policy and Management (OPM) to create and maintain a website allowing residents and organizations

to submit proposed solutions to specific urban area problems, and to offer financial awards to residents and organizations that submit ideas that become the basis for successful pilot programs.

There is a cost to OPM of up to \$32,000 to hire an information technology contractor to develop a Web site. This is anticipated to be a one-time cost.

There is an additional cost to OPM to offer financial awards to residents. This cost will vary based on the awards offered. It is anticipated that any cost would not be incurred until FY 18 at the earliest.

The bill also requires certain agencies to participate in a task force to study how nonprofits use state funding. There may be a cost of less than \$1,000 in FY 17 to those agencies participating in the task force to reimburse legislators and agency staff for mileage expenses.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 421*****AN ACT CONCERNING COMMUNITY EMPOWERMENT AND THE NEIGHBORHOOD ASSISTANCE ACT.*****SUMMARY:**

This bill requires the mayors of certain cities to establish in each neighborhood a community investment board, whose members may include residents, business owners, religious leaders, community development corporation representatives, and community group representatives. It authorizes these cities to spend a portion of certain state grants on priorities identified by these boards.

By January 1, 2018, the bill requires the Office of Policy and Management (OPM) to create and maintain a website allowing residents and organizations to submit proposed solutions to specific urban area problems. If the OPM secretary or his designee deems a proposal viable, the secretary must identify a municipality or neighborhood in which to implement the proposal as a pilot program. The secretary must monitor the pilot program's implementation and assess its results. Within available appropriations, OPM must provide a financial award to each resident or organization that submits a proposal that becomes the basis of a pilot program that the secretary or his designee deems successful.

The bill also establishes a task force to (1) study how nonprofit providers use state funding and (2) review state agency requirements applicable to nonprofit providers and compliance with such requirements.

EFFECTIVE DATE: July 1, 2016, except the provisions concerning community investment boards are effective October 1, 2016.

COMMUNITY INVESTMENT BOARDS

The requirement to establish community investment boards applies to any municipality with a population of over 100,000 but an area of no more than 30 square miles (i.e., Bridgeport, Hartford, New Haven, and Waterbury). These cities may choose to spend their municipal revenue sharing (i.e., sales tax) and select payment in lieu of taxes (PILOT) grants (see BACKGROUND) such that:

1. 35% of each grant is spent on priorities identified by the community investment boards,
2. 35% of each grant is spent on priorities identified by the city's legislative body, and
3. 30% of each grant is spent on priorities jointly agreed upon by the boards and legislative body.

The bill does not establish a procedure for making these spending decisions.

TASK FORCE ON STATE-FUNDED NONPROFIT PROVIDERS

Under the bill, the task force consists of 12 members the top six legislative leaders appoint. Each leader appoints two members. The House speaker must appoint one member with expertise in nonprofit administration and one member with expertise in economics. Legislators may be appointed as members. Appointments must be made by July 31, 2016. The appointing authority fills any vacancy.

The bill requires the Senate president pro tempore and House speaker to select the task force's chairpersons from among its members. The chairpersons must schedule and hold the first task force meeting by August 30, 2016. The bill requires the Planning and Development Committee's administrative staff to serve as the task force's staff.

The bill requires the task force to report its findings and recommendations to the Planning and Development Committee by

January 1, 2017. The task force terminates when it submits its report or on that date, whichever is later.

BACKGROUND

Select PILOT and Municipal Revenue Sharing Grants

Beginning in FY 17, the state will distribute to municipalities select PILOT and municipal revenue sharing grants, both of which are funded by state sales tax revenue.

Select PILOT grants are supplemental PILOT payments for specific types of PILOT eligible property. In FY 17, the law sets select PILOT grant amounts. Beginning in FY 18, select PILOT grants are based on a municipality's mill rate and the percentage of tax-exempt property on its 2012 grand list.

In FY 17 through FY 19, the law sets municipal revenue sharing grant amounts. Beginning in FY 20, the grants are calculated based on a formula that takes into account each municipality's FY 15 motor vehicle mill rate and whether the municipality complies with the statutory municipal spending cap.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 18 Nay 2 (03/18/2016)